GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:369
ANSWERED ON:17.08.2001
PAY ROLL SAVINGS SCHEME
AMBATI BRAHMANAIAH

Will the Minister of FINANCE be pleased to state:

(a) whether the National Savings Organisation has announced a new scheme called the Pay Roll Savings Scheme;

(b) if so, the details of the scheme;

(c) whether the Government propose to raise the interest rates on various schemes of National Savings Organisation to make these schemes more attractive; and

(d) if so, the details thereof and other steps being taken to raise the domestic savings?

Answer

FINANCE MINISTER SHRI YASHWANT SINHA

a) No, Sir.

b) Does not arise.

c) At present, there is no proposal under consideration of the Government to raise the interest rates on small savings. The small savings schemes continue to enjoy investor confidence as the risk- return equation of these schemes is favourable with the benefits of liquidity, accessibility, tax incentives and implicit sovereign guarantee.

d) Steps are taken by the Government from time to time for increasing mobilisation of resources through small savings by ensuring attractive returns, tax incentives, easy liquidity, accessibility and information through publicity campaigns. Efforts to raise domestic savings are directed towards enhancing the capacity and willingness to save.